GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2288
ANSWERED ON:29.07.2016
Income Disclosure Scheme
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Will the Minister of FINANCE be pleased to state:

(a) the details of income disclosure schemes and programmes made thereunder so far thereon, scheme-wise along with new schemes introduced or proposed to be introduced, if any;

(b) if so, the details thereof; and

(c) whether the Government has data relating to the sector where black money has hidden, if so, the details thereof, sector-wise including the steps taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF STATE FOR FINANCE
(SHRI SANTOSH KUMAR GANGWAR)
(a) & (b): The details of voluntary disclosure of income schemes are as under:-

S. No. Name of the scheme Year Income/ Wealth/ Assets declared
(in Rs. Crore) Tax collected
(in Rs. Crore)
1 VDS 1951 1951 70.2 10.89
2 VDS 1965 1965 52.18 30.80
3 VDS 1965 (No. 2) 1965 145 19.45
4 Voluntary Disclosure of Income and Wealth Act, 1975 1975 746.07 (Income)
844.72 (Wealth) 249 (Income Tax)
7.7 (Wealth Tax)
5 Special Bearer Bonds (Immunities and Exemption) Act, 1981 1981 Bonds sold of the value of Rs. 964.25 Crore
6 Disclosure Schemes through administrative circulars, 1985 1985 (November 1985 to March 1987) 2940.37 (Income Tax)
7837.97 (Wealth Tax) 388.03 (Income Tax)
70.76 (Wealth Tax)
7 National Housing Bank (Voluntary Deposits) Scheme, 1991 1991 Deposits of Rs.154 Crore received
8 Remittances in foreign exchange (Immunities) Scheme, 1991 and India Development Bonds Scheme, 1991 1991 Foreign exchange equivalent to Rs.6400 Crore was collected under these two Schemes
9 Voluntary Disclosure of Income Scheme, 1997 1997 33289 9745

'The Income Declaration Scheme, 2016' (the scheme) has been introduced vide the Finance Act 2016, with effect from 1st June 2016. The scheme provides for an opportunity to all the persons who have not paid full taxes in the past to come forward and declare the undisclosed income and pay tax, surcharge and penalty, totaling to forty-five per cent of such undisclosed income declared. The scheme, which is different from the earlier schemes, is open for declarations up-to 30th September 2016.

(c) Sectoral analysis in respect of admission of undisclosed income during searches conducted by the Income Tax Department in the financial year 2015-16 indicates that the main sectors are manufacturing (31%), real estate (29%), trading (8%), educational institutions (7%), contractors (6%), services (5%), gems & jewellery (4%) etc.
The Government has taken several steps to effectively tackle the issue of black money. Such measures include policy-level initiatives, more effective enforcement action on the ground, putting in place robust legislative and administrative frameworks, systems and processes with due focus on capacity building and integration of information and its mining through increasing use of information technology. Recent major initiatives in this regard include − (i) Constitution of the Special Investigation Team (SIT) on Black Money under Chairmanship and Vice-Chairmanship of two former Judges of Hon'ble Supreme Court, (ii) Enactment of a comprehensive law − 'The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015' which has come into force w.e.f. 01.07.2015 to specifically and more effectively deal with the issue of black money stashed away abroad, (iii) Constitution of Multi-Agency Group (MAG) consisting of officers of Central Board of Direct Taxes (CBDT), Reserve Bank of India (RBI), Enforcement Directorate (ED) and Financial Intelligence Unit (FIU) for investigation of recent revelations in Panama paper leaks, (iv) Proactively engaging with foreign governments with a view to facilitate and enhance the exchange of information under Double Taxation Avoidance Agreements (DTAAs)/Tax Information Exchange Agreements (TIEAs)/Multilateral Conventions, (v) While focusing upon non-intrusive measures, due emphasis on enforcement measures in high impact cases with a view to prosecute the offenders at the earliest for credible deterrence against tax evasion/black money, (vi) Proactively furthering global efforts to combat tax evasion/black

money, inter alia, by joining the Multilateral Competent Authority Agreement in respect of Automatic Exchange of Information (AEOI) and having information sharing arrangement with USA under its Foreign Account Tax Compliance Act (FATCA), (vii) Enabling attachment and confiscation of property equivalent in value held within the country where the property/proceeds of crime is taken or held outside the country by amending the Prevention of Money-laundering Act, 2002 through the Finance Act, 2015, (viii) Introduction of the Benami Transactions (Prohibition) Amendment Bill, 2015 to amend the Benami Transactions (Prohibition) Act, 1988 with a view to, inter alia, enable confiscation of Benami property and provide for prosecution, (ix) Initiation of the information technology based 'Project Insight' by the Income Tax Department for strengthening the non-intrusive information driven approach for improving tax compliance and effective utilization of available information, (x) Legislative measures including amendments in the Income-tax Act, 1961.

These measures have equipped the Government better in curbing the menace of black money.